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Chair: Mr. Andambi (Vice-Chair) (Kenya)

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In the absence of Mr. Djani (Indonesia), Mr. Andambi (Kenya), Vice-Chair, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 17: Macroeconomic policy questions (*continued*) (A/71/422 and A/71/539)

(a) International trade and development (*continued*) (A/71/275, A/71/561 and A/71/15)

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Agenda item 18: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (*continued*) (A/71/311, A/71/534, A/71/88-E/2016/68, A/71/422 and A/71/539)

1. **Mr. Al-Thani** (Qatar) said that the Addis Ababa Action Agenda of the third International Conference on Financing for Development was a key pillar of efforts to strengthen the global partnership for sustainable development and an integral part of the 2030 Agenda for Sustainable Development, in addition to the Monterrey Consensus of the International Conference on Financing for Development and the Doha Declaration on Financing for Development of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus. The Addis Ababa Action Agenda stressed the need to achieve economic growth and sustainable development by investing in children and young people. That investment involved providing them with a decent education and offering women and girls adequate opportunities in education and employment, an area that should be prioritized in national development strategies.

2. Official development assistance (ODA) was urgently needed. It played an important role in alleviating poverty and other crises, including the refugee crisis. The international community should seize the opportunity to reiterate its commitment to fulfilling ODA obligations. International cooperation and a common response were essential to achieving development. Qatar provided assistance in the fields of economic and social development. It had hosted the Follow-up International Conference on Financing for Development in Doha in 2008 and would spare no effort to maintain its role as a key partner in the global partnership for development. There was a need for South-South cooperation that was based on solidarity and respect for national sovereignty, equality and common interests. Qatar aimed to be at the forefront of strengthening South-South cooperation.

3. Crises and social, economic and environmental issues challenged the achievement of development in the Arab region. Financial allocations, humanitarian assistance and development assistance were needed. Financing for development required the mobilization and effective use of all funding resources — public and private — at the international and local levels, on the basis of solidarity and taking into account countries' different levels of need and development and national priorities and policies. Trade was an important engine for economic growth, poverty eradication and sustainable development. Developing countries needed trade and investment opportunities and should be offered concessionary loans and development projects, in line with the Doha Declaration on Financing for Development. The Doha Development Round negotiations must be concluded.

4. **Mr. Pinto Damiani** (Bolivarian Republic of Venezuela) said that, in a world that was constantly threatened by war and the effects of the financial crisis, financial speculation and imbalances in the international economic system drained resources from developing countries that would otherwise be used to produce goods and services, thereby generating employment and contributing to the eradication of poverty and hunger. The economic and financial policies imposed by the international financial institutions had adversely affected countries, weakening the regulatory role of the State and resulting in lower standards of living. His Government therefore continued to call for reform of the international financial architecture in order to bring about, inter alia, a democratization of their decision-making mechanisms to ensure greater participation of developing countries. Innovative mechanisms were needed to resolve the problem of external debt and expose corruption. International finance could not be allowed to have a negative impact on social progress, which should be achieved through the commitment of the international

community, in particular developed countries, to support countries whose resources had been depleted.

5. The report entitled *World Economic Situation and Prospects 2016* made it clear that a number of economic issues could, if not addressed, affect progress towards the Sustainable Development Goals. Those issues included insufficient global growth to support short-term gains; increasing costs combined with higher interest rates; persistent unemployment — particularly among young people — while the vast informal sector concealed structural problems in developing countries; macroeconomic uncertainties, particularly associated with lack of investment and excessive volatility which, along with low commodity prices and reduced financial flows, disproportionately affected developing countries; and the disconnect between the international financial sector and the real economy, which made it impossible to use scarce resources effectively for sustainable development activities. In a situation where inequality had increased, human security was under threat and many more people were being affected by climate change, the most vulnerable people should receive greater attention through specific policies and dedicated resources.

6. National institutions needed to work together to reduce persistent financial vulnerability, which would require the sovereign management of natural resources in order to face the magnitude of future challenges; the expansion of education and public transfers to the poor would play a crucial role in strengthening strategies to eliminate poverty and social exclusion. There was an increasing need for financing for development in order to implement the 2030 Agenda; it was therefore essential to fulfil the commitments of the Monterey Consensus, the Doha Declaration on Financing for Development and the Addis Ababa Action Agenda. It was crucially important for donor countries to honour their ODA commitments in order to provide sustainable and predictable resources for operational activities for development, without any conditionalities that interfered in the sovereign right of peoples to decide on their political, economic, social and cultural systems. South-South cooperation was vitally important; his Government therefore supported new international financial institutions such as the Asian Infrastructure Investment Bank, Banco del Sur and Banco del ALBA. Through PETROCARIBE, his country cooperated with Caribbean countries by facilitating access to energy resources, through an initiative for equitable and fair trade.

7. **Ms. Flores Herrera** (Panama) said that, in a complex world, a stable, open, equitable and inclusive financial system was needed in order to achieve sustainable development. In view of the importance of macroeconomic policies to national development processes and their impact on the global economy, monetary authorities should better coordinate those policies in order to mitigate some of the negative secondary impacts and the volatility of financial markets. International trade was a driving force for inclusive economic growth and poverty reduction that, through appropriate policies, infrastructure and an educated labour force, could contribute to the achievement of the Sustainable Development Goals. Since the capacity and budgets of the public sector would be under great pressure in that regard, greater and more effective international support would be needed. To that end, progress must be made in fulfilling the ODA commitments under the Addis Ababa Action Agenda, and in South-South cooperation and other forms of international public financing on favourable terms. South-South cooperation was increasingly playing a complementary role to North-South cooperation, without replacing it. Technical and financial support from traditional donors continued to play a key role in supporting the development of the least developed countries. As outlined in the Addis Ababa Action Agenda, foreign direct investment (FDI) could make a significant contribution to sustainable development, particularly when projects were aligned with national and regional strategies. Multilateral development banks should update and extend their policies to support the 2030 Agenda. With the support of the Andean Development Corporation (CAF), her country was exploring the feasibility of such approaches as issuing social impact bonds to finance the implementation of the 2030 Agenda.

8. The financing of the 2030 Agenda was an individual and collective challenge. Global financial transparency must continue to be strengthened, since abuse of the global financial system was not the outcome of any single country's legislation or policy, but rather the consequence of a global economy characterized by an absence of ethical values, which was affecting the world's most vulnerable people.

9. Panama remained committed to maintaining and improving the conditions that would ensure sustainable growth within a transparent and responsible fiscal framework and to that end intended to sign the Convention on Mutual Administrative Assistance in Tax Matters. It believed that more emphasis should be given to the voice and participation of developing countries in international decision-making processes, the establishment of economic norms and global economic governance. She welcomed the adoption by the Economic and Social Council of resolution 2017/2 on the Committee of Experts on International Cooperation in Tax Matters, which would facilitate intergovernmental consideration of fiscal issues and strengthen the work performed by that Committee, which was of great importance to developing countries.

10. **Mr. Rai** (Papua New Guinea) said that international trade played a fundamental role in the economy and sustainable development of his country. It directly impacted the capability and capacity to diversify and expand the economy and foster nation building, by generating productive employment and decent work, empowering women, increasing food security and contributing to the achievement of the Sustainable Development Goals. Since Papua New Guinea possessed abundant natural resources and had a growing light manufacturing sector, global trade was a catalytic engine for its economic growth. However, trade barriers, including unfair and inequitable access to markets, remained a real challenge to realizing the full potential of international trade. He joined the call for a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO), as well as meaningful trade liberalization.

11. Efforts to conclude negotiations on the Doha Development Agenda should be redoubled, in order to increase market access and technical and capacity-building assistance. He reiterated the call for WTO members to strengthen discipline with regard to subsidies in the fisheries sector, including prohibiting certain forms of subsidies that contributed to overcapacity and overfishing, in accordance with the Doha Development Agenda and the Hong Kong Ministerial Declaration. His country was taking national action to strengthen its enabling environment and realize the potential of international trade and investment for economic growth and sustainable development. That action included sweeping tax reforms to mobilize domestic resources for financing for development; value addition of trade commodities, such as in the fisheries sector; the formalization of development cooperation policy to build strategic and coordinated partnerships; the integration of micro, small and medium-sized enterprises into the economy; and the establishment of his country's first comprehensive international trade policy.

12. The full and timely implementation of the Addis Ababa Action Agenda would be crucial to delivering the 2030 Agenda. Focus should be maintained on working in partnership to mobilize all resources and means of implementation at the domestic and global levels and in the public and private sectors. In view of the forthcoming entry into force of the Paris Agreement under the United Nations Framework Convention on Climate Change, his delegation was particularly concerned about scaling up financing for climate change action, due to the nexus between the urgency of climate action and the success of the sustainable development agenda. The international community must work in partnership to intensify climate adaptation and mitigation efforts and provide resources. Despite progress towards the entry into operation of the Technology Facilitation Mechanism, the online platform had not yet been launched; he looked forward to its timely establishment.

13. **Ms. Hua** Ye (China) said that the world economy was undergoing profound adjustments on the road towards recovery. The international community needed to pay attention to macroeconomic policy issues, strengthen coordination and push for the reform of global economic governance in order to create an innovative, open, interconnected and inclusive world economy.

14. A reformed international financial system would better reflect new developments in the world economy, improve the capability of the international financial institutions to respond to crises, and stabilize and strengthen the driving forces of world economic growth, all of which would be in the interests of all countries. The joint efforts of the international community had led to progress in that regard; significant steps had been taken by the International Monetary Fund (IMF) through quota reform and the

inclusion of renminbi in the Special Drawing Right (SDR) basket. At the Group of 20 Summit, which China had hosted in September 2016, consensus had been reached on strengthening the implementation of the various initiatives for international financial reform, which had sent a positive signal about maintaining the stability of the international financial market. China stood ready to work with all parties to construct an equitable and effective international financial governance structure and maintain world economic stability.

15. China was deeply concerned about the sustainability of the debt of developing countries, especially the least developed countries, and was doing everything possible to relieve their debt burden. The President of China, Mr. Xi Jinping, had announced at the United Nations summit for the adoption of the post-2015 development agenda that China would exempt the relevant least developed countries, landlocked developing countries and small island developing States from debt on outstanding intergovernmental interest-free loans due by the end of 2015. China would continue to honour its international commitments on debt reduction and debt relief, with a view to helping developing countries implement the 2030 Agenda. The international community should strengthen cooperation to facilitate development and debt reduction for the developing countries.

16. Since international trade was an important component of the macroeconomy, the international community should revitalize it in order to give impetus to the world economy. All forms of trade protectionism must be opposed, in order to create a favourable environment for the development of international trade; the multilateral trade system should be safeguarded and strengthened so as to give new impetus to the development of global trade; and the capacity of developing countries to be part of and benefit from the global value chain should be enhanced. In that respect, China stood ready to help strengthen communication between the Group of 20 and the United Nations Member States and ensure the implementation of the G-20 Strategy for Global Trade Growth formulated at the Group of 20 summit meeting in September 2016.

17. Financing for development was an important part of the 2030 Agenda and the key to the progress of international development cooperation. The international community should implement the Addis Ababa Action Agenda, build a global development partnership based on equality, mutual benefit and win-win cooperation, intensify financing for development, increase development resources, strengthen development institutions and address the development concerns of developing countries. The developed countries must fulfil their ODA commitments, which they should better align with the specific conditions and needs of developing countries, and make further efforts on debt reduction and market access.

18. As the largest developing country, China actively participated in and contributed to global development cooperation. Over the previous decades, it had provided assistance to more than 100 developing countries in the areas of finance, market access, technology and experience sharing. At the seventieth session of the General Assembly, the President of China had announced the establishment of the China-United Nations Peace and Development Fund and the China South-South Climate Cooperation Fund. With the operationalization of institutions such as the Asian Infrastructure Investment Bank and the New Development Bank and the implementation of the Belt and Road Initiative, China would be able to make greater contributions to the global cause of development.

19. **Mr. Phansourivong** (Lao People's Democratic Republic) said that the 2030 Agenda, the Addis Ababa Action Agenda, the Sendai Framework for Disaster Risk Reduction and the Paris Agreement set out global frameworks for cooperation that included commitments to eradicate extreme poverty and leave no one behind. Prior to 2015, the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 had helped those groups of countries to address the challenges stemming from their geographical handicaps and structural vulnerabilities. Those global frameworks should be implemented by mainstreaming them into national development plans and regional cooperation frameworks, and by mobilizing adequate resources from domestic and external sources to support their implementation. The International Conferences on Financing for Development had identified ways of mobilizing

resources, such as ODA, to support the developing countries, especially the least developed countries and landlocked developing countries, to implement the various global development agendas.

20. His Government had mainstreamed international development frameworks into its national socioeconomic development plan for 2016-2020, which focused on three main areas: sustained economic growth, social development and environmental protection, with the aim of ensuring green growth and sustainable development. It believed that the implementation of those frameworks would contribute to the achievement of national development objectives to eradicate poverty and graduate from least developed country status. The Lao People's Democratic Republic actively participated in subregional cooperation frameworks with neighbouring countries and the wider region to eradicate poverty, develop infrastructure and promote trade, investment and tourism. The Association of Southeast Asian Nations (ASEAN) was committed to increasing cooperation among its member States to successfully implement the 2030 Agenda and realize the ASEAN Community Vision 2025.

21. Given the scale of resources required to effectively implement the 2030 Agenda and other global development agendas, the implementation of the Addis Ababa Action Agenda was crucial to provide financial and technical support. All bilateral, regional and multilateral partners should mobilize sufficient resources to support the implementation of national development plans in developing countries, including his country. Since ODA represented the major source of financing for development for many developing countries, it should be maintained, and targeted at the eradication of poverty in its multiple dimensions. Over past years, the international community had provided support and assistance, including ODA, to his country, which had contributed significantly to efforts to eradicate poverty and graduate from its status as a least developed country. He expressed appreciation for that support and looked forward to further support and assistance in the years ahead.

22. **Mr. Bosah** (Nigeria) said that, in order for countries to achieve their full potential, a universal, rules-based, open, non-discriminatory and equitable multilateral trading system and meaningful trade liberalization were needed. Such a system would galvanize and stimulate economic growth and development, and would guard against the recurring frustration experienced by developing countries in their pursuit of proactive industrial and development policies. Efforts should therefore be made to speedily conclude the Doha Development Round.

23. Nigeria's trade policy was focused on the integration of the economy into the global market system through progressive liberalization that enhanced competition among domestic industries, participation in regional and global multilateral trade negotiations, the promotion of technology transfer, acquisition and adoption and support for regional integration and cooperation. To improve global competitiveness and maximize benefits from the international trading system, his Government's economic agenda recognized trade and FDI as key drivers of its international engagements. It had made concerted efforts to diversify to non-oil sectors, such as agricultural exports and minerals exploration.

24. Remittances represented a major source of financing for development for developing countries and could enhance the pace of socioeconomic development, especially in education, health and poverty reduction. Members of the diaspora could be important sources or facilitators of knowledge, technology and trade and investment links. Global efforts to boost the contribution of diaspora remittances to developing countries would require policy action, including financial sector development and diversification, reduced transfer costs, diaspora engagement programmes and private investment. Domestic and regional development policies should be aimed at reducing transaction costs, promoting greater financial inclusion, providing credit for small and medium-sized enterprises and making formal channels for remittances more attractive. He expressed deep concern about the monopoly enjoyed by money-transfer operators, since limited competition had led to increased costs. Other stakeholders, including post offices, savings and credit cooperatives and microfinance institutions should be allowed to provide tailor-made financial products for the rural population in developing countries.

25. Creating a stable and responsive international system would not be easy. As the world anticipated the

dividends of reform of the international financial system, existing imbalances continued to undermine the capacity of developing countries to withstand and respond to the impact of the global economic crisis, resulting in increased poverty and hunger and an overall development deficit. His delegation therefore called for a shift from mere declarative commitments to concrete initiatives aimed at bridging financing gaps through increased FDI and commitment of donors to ODA obligations. Aid flows should be predictable, focused and free of unrealistic conditionalities. Aid to developing countries needed to be complementary and development-oriented in order to make beneficiaries self-sufficient. Holistic reform of the global financial architecture should enhance the resilience, transparency and capitalization of the international financial system. The mistakes of the past must be avoided by resisting the temptations of narrow national and group interests. The faulty vestiges of the status quo must give way to a new world economic order that was equitable, transparent and inclusive. He called on the international community to undertake ambitious reform of the governance structure of international financial institutions by granting greater representation and voice to Africa and developing countries on the basis of sovereignty, equality and mutual respect.

26. The adverse effects of sovereign debt crises on the social and economic development of developing countries had aggravated structural deficits, unemployment and cuts in public spending. External debt sustainability was crucial to achieving national development goals, including the Sustainable Development Goals. For many developing countries, debt servicing had been plagued by negative externalities, such as adverse exchange rate movements and unpredictable ODA.

27. The United Nations should continue to prioritize international tax cooperation and the fight against corruption. Member States which had not yet done so should accede to the United Nations Convention against Corruption as soon as possible. The global community must promote international cooperation to strengthen the mechanisms that would dismantle safe havens for the proceeds of corruption and ensure the recovery and return of stolen assets to their countries of origin, including Nigeria.

28. **Mr. Tadesse Abebe** (Ethiopia) said that the outcome of the third International Conference on Financing for Development provided a strong foundation to support the implementation of the 2030 Agenda. His Government welcomed the launching of the Economic and Social Council forum on financing for development follow-up, the inauguration of the Global Infrastructure Forum and the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals. Another direct outcome of the Conference had been a strengthening of the social compact. His Government welcomed the initiative launched by the International Labour Organization and the World Bank to ensure universal social protection: Ethiopia was implementing safety net programmes that targeted the most vulnerable communities and thanked all bilateral and multilateral donors and agencies for their continued assistance in that regard.

29. The coordinated approach of international organizations to strengthening domestic resource mobilization, particularly on tax issues, noted in the report of the Secretary-General on follow-up to the International Conferences on Financing for Development, was encouraging, as were the launches of the Addis Tax Initiative and Tax Inspectors Without Borders. His delegation stressed the importance of promoting cooperation to curb and restore illicit financial flows, particularly from Africa, which continued to lose US$50 billion each year.

30. Despite a positive trend in allocating ODA to the least developed countries, much remained to be done to fulfil the commitments undertaken in the Addis Ababa Action Agenda. It was imperative to enhance the impact of FDI on poverty eradication. Weak global trade and volatile commodity prices continued to cause distress in most developing countries, particularly the least developed countries. Since those countries' share in global trade remained marginal, it was crucial to create a level playing field that promoted their export earnings, diversification and increased participation in the global value chain. Given the role of trade as a key enabler of sustainable development, the Aid for Trade initiative should be increased to enhance the trading capacity of those countries.

31. **Mr. Eshanta** (Libya) said that international trade was essential to achieving development, including the

2030 Agenda. It was important to build an international trade system based on multilateralism, equality and non-discrimination that would resolve the problems of international trade and provide developing countries with access to international markets and limit customs tariffs and taxes and other measures that were contrary to healthy competition. The role of WTO should be revitalized to facilitate access for developing countries and ensure the economic interests of all countries.

32. Developing countries relied heavily on the international financial institutions to achieve development, including under the 2030 Agenda. Greater representation of developing countries within those institutions would therefore allow them to participate more effectively in the formulation of financial policies and ensure the integration of development perspectives into strategies, with a view to strengthening economic growth, achieving sustainable development and eradicating poverty in all its forms. The financial system should put investment at the service of sustainable development and tackle the problems linked to global imbalances and the accumulation of reserves in a limited number of States. It was also important to fulfil ODA commitments and help developing countries restructure their sovereign debt.

33. Debt must be addressed because it had a negative impact on development processes in developing countries, particularly with regard to the Millennium Development Goals, and could undermine the achievement of the 2030 Agenda. The flight of financial capital from developing countries to developed countries and tax havens slowed the pace of development and progress towards the Sustainable Development Goals. National legislation had made certain small countries reliable havens for transferring funds and laundering money through fictitious companies and secret accounts. It was time for all countries to implement the United Nations Convention against Corruption and find mechanisms to quickly restore funds to their countries of origin for the purposes of development.

34. **Mr. Soriano** (El Salvador) said that international cooperation and solidarity were key components of economic growth. There was a need to build a common framework for trade and technology transfer with a view to addressing the economic crisis, accelerating recovery and creating more inclusive societies. Given that the architecture of the global financial and trade systems favoured developed countries while penalizing developing countries, the United Nations must take the lead in reforming that architecture and tackling multilateral and macroeconomic issues. Development financing and therefore the Addis Ababa Action Agenda, with its emphasis on ODA, were crucial to implementing the Sustainable Development Goals.

35. A just and balanced solution must be found to fore solving the problem of sovereign debt and negotiating its restructuring under equitable conditions, without endangering political, economic and social development. Arenas for dialogue should be established within multilateral forums in order to develop an international economic and financial system that responded to countries' needs, stressing the harmful consequences that speculative capital could have for developing countries, thereby directly affecting the progress made on social and economic development. His delegation hoped that the seminar organized by the Group of 77 and China on sovereign debt vulnerabilities and the opportunity for a new debt workout mechanism would send a strong message about the serious implications of the current financial system that could erode the sovereign immunity of any country. Issues related to tax havens must be tackled, since they caused enormous losses of national resources. Solutions should be explored that took into account the realities and circumstances of affected countries.

36. The international economic and financial system must be restructured on the basis of equity, sovereign equality, interdependence, mutual benefit and the cooperation of all States, irrespective of their economic and social systems, in order to ensure the enjoyment by current and future generations of economic and social development based on peace, justice and respect. He called for solidarity in establishing a fair and equitable international financial system that would prioritize the rights of sovereign peoples.

37. **Mr. Mminele** (South Africa) said that his delegation firmly believed that the financing for development process and the 2030 Agenda, although interrelated, were two separate processes. Financing for development was intended to finance all internationally agreed development goals, not only the 2030 Agenda.

and had a lifespan that went beyond 2030. It should therefore be preserved as such. South Africa welcomed the launch of the annual Economic and Social Council forum on financing for development follow-up in April 2016, but hoped that the 2017 Forum would be more successful in its objectives and outcome. It also welcomed the launch of the Global Infrastructure Forum, which had enabled multilateral development banks to share ideas and information on infrastructure development. International support was needed to help developing countries, particularly those in Africa, deal with their infrastructure deficit. Without proper and functional infrastructure, sustainable development would remain a pipedream for many developing countries.

38. His Government reaffirmed the primacy of WTO on trade matters and the need to ensure that the Doha Development Round delivered on its development mandate. It further reaffirmed the principles of transparency, inclusiveness and special and differentiated treatment in favour of developing countries. It firmly believed that multilateralism was the best avenue for all countries to resist protectionism and discrimination in matters of trade.

39. He called for increased financial support for the United Nations Conference on Trade and Development (UNCTAD), as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated areas of finance, technology, investment and sustainable development, which would benefit developing countries, which continued to lag behind in those areas. It had been recognized in the report of the Secretary-General on international trade and development (A/71/275) that the fourteenth session of UNCTAD had forged a global consensus on major action lines that were essential for the achievement of the Sustainable Development Goals.

40. International public finance remained essential in assisting developing countries to attain the Sustainable Development Goals. Unmet ODA commitments were a cause of concern; all donor countries should fulfil their ODA commitments. More ODA support should be given to African countries, the least developed countries and small island developing States to assist them in reaching the Sustainable Development Goals. His Government continued to be concerned about the adverse impact of the global financial and economic crisis, including its impact on development and evidence that recovery was uneven, slow and fragile. The United Nations and other international institutions should focus attention and take targeted action on the impact of illicit financial flows on developing countries, where they negatively affected domestic resource mobilization and the sustainability of public finances, thereby derailing growth.

41. **Mr. Mebarki** (Algeria) said that his delegation was deeply concerned about the fall in international financing flows to developing countries in 2015 and 2016, and the high net capital outflows from developing countries, which had outpaced the capital outflows observed during the financial crisis. The world economic prospects were very worrisome, particularly for the developing countries. The negative growth rates observed in several advanced economies were likely to intensify the volatility of capital flows and the pressure on exchange rates in developing economies.

42. The growth of South-South cooperation was a source of encouragement and pride for developing countries such as his. Nonetheless, developed countries must not disengage from their ODA commitments. South-South cooperation was not a substitute for North-South cooperation, which remained irreplaceable, especially in terms of capacity-building and the transfer of technology and know-how.

43. The biggest challenges faced by developing countries in mobilizing domestic funds were not only the lack of resources and liquidity, but also tax evasion and avoidance and other illicit financial flows that created economic distortions and deprived those countries of real investment opportunities. As noted in the report of the Secretary-General on the international financial system and development (A/71/312), in a globalized world, there were limits to what countries could do to combat illicit financial flows on their own. International cooperation should therefore be scaled up to curb illicit financial flows and recover the proceeds of crime in order to ensure that assets were returned to their countries of origin. Algeria had supported Economic and Social Council resolution 2017/2, which would strengthen the work of the Committee of Experts on International Cooperation in Tax Matters.

44. Macroeconomic stability and the stability of the financial system were critical to sustained and inclusive development and would allow the international community to achieve its objectives. Implementation of the 2030 Agenda required sufficient financial resources and enabling domestic and international conditions for sustainable sector investment that supported national development policies. Reforms to make the Bretton Woods institutions more representative of the contemporary economic world were welcome; further efforts should be made to put in place a system of democratic governance. Despite tough global economic prospects, his country was introducing a strategy to respond to the population's needs, while implementing the Sustainable Development Goals through national ownership that involved all stakeholders.

45. **Mr. De Lara Rangel** (Mexico) said that the adoption of the Addis Ababa Action Agenda had been a meaningful step along the path that had begun at the first International Conference on Financing for Development when, for the first time in the history of the United Nations, it had been possible to align the agendas of developing countries with those of the developed countries in order to find alternative ways of mobilizing financial resources to bolster economic development and achieve global development goals. That Conference had established a comprehensive, innovative and balanced strategic vision of development based on the participation of all relevant stakeholders — Governments, the private sector, international donors and agencies and civil society. He called on all stakeholders to continue along that path.

46. It was crucial to coordinate the outcomes of the third International Conference on Financing for Development; the Economic and Social Council forum on financing for development follow-up must be coordinated with the high-level political forum in order to promote sustainable development and the implementation of the 2030 Agenda. It was also imperative to systematize, monitor and assess the effectiveness of flows of development financing to guarantee results and implement the 2030 Agenda. The systems already established for that purpose, such as the monitoring framework of the Global Partnership for Effective Development Cooperation, must be put to use.

47. **Mr. Sharif** (Sudan) said that international trade could be a catalyst for sustainable development, particularly in the context of an enabling domestic and regional environment that took into account the challenges affecting developing countries in the fields of technology, communications, infrastructure and financing. A balanced and inclusive multilateral trade system was essential and should provide assistance to strengthen social, economic and environmental sustainable development and to overcome the obstacles that limited developing countries' ability to benefit from the facilities and concessions offered by WTO in the interests of development. Gaps in the international financial system should be addressed to respond to the needs of the affected countries, in particular developing countries. His delegation called for the implementation of recommendations on fairer representation of developing countries in the international financial system.

48. External debt was a serious issue for the Sudan which constituted an obstacle to economic and social development by negatively affecting economic growth, productivity and services and had caused a decline in his country's human development indicators. The Sudan was prevented from benefiting from ODA, even though that it was entitled to receive help under the Heavily Indebted Poor Countries Initiative and complied with its requirements. Alleviating the debt burden of developing countries would liberate resources for activities targeting sustainable growth and development.

49. The Sudan was among the countries suffering the negative effects of unilateral economic sanctions. Those sanctions had prevented it from benefiting from various sources of financial assistance and had negatively impacted the agricultural sector, the transfer of remittances and trade in particular. The ability to mobilize domestic resources had also been affected and the sanctions made it difficult to engage in economic cooperation, since they undermined all efforts towards operating as part of the international trade system. A just and comprehensive economic system would take into account the needs of developing countries, helping them attain the Sustainable Development Goals, and allow the Sudan to address the challenges it faced.

50. **Archbishop Auza** (Observer for the Holy See) said that he was heartened by the increasing number of

developing countries participating in the global economy, despite the challenges that many of them faced. Those countries, and in particular the least developed countries and countries, should remain the focus of attention and support to ensure that they did not fall further behind in reaching the Sustainable Development Goals. Their development must be viewed as part of what Pope Francis had called the global common good; they should not be forgotten as developed countries prioritized their own national concerns.

51. Trade had an important role to play in the achievement of the 2030 Agenda. For many of the least developed countries, trade in primary commodity exports was an important source of foreign exchange earnings. Recent trade data had highlighted the vulnerability of those countries to downturns in commodity prices and the consequences for their programmes on poverty and economic equality. Technology transfer, industrial diversification and reinforcing local and regional markets were necessary measures to avoid the commodity exports trap.

52. A stable, effective and inclusive international financial system and maintaining debt sustainability in developing countries were critical to achieving the 2030 Agenda and leaving no country behind. General Assembly resolution 69/319 concerning the Basic Principles on Sovereign Debt Restructuring Processes should be kept in mind with regard to the 2030 Agenda, in order to ensure that external financing of Governments never became an unbearable weight for populations or a hindrance to development projects. Access to credit was an essential element of the economic life of peoples and families; it was therefore important to conduct an in-depth analysis of the ethical and juridical conditions attached to international credit and restitution.

53. Although ODA was an important source of external finance for the least developed countries, it must be complemented by funds from multiple sources, such as an increase in internal development funds and the prudent use of natural resources. Discussions on poor countries' foreign debt should take into consideration the negative ecological impact on underdeveloped countries of the industrialization of countries that had thereby developed wealthy economies. He recalled article 9, paragraph 1, of the Paris Agreement, which set out the responsibility of developed countries to assist developing countries with climate mitigation and adaptation.

54. **Ms. Herdt** (Observer for the International Organization of la Francophonie (OIF)) said that her Organization was preparing for its sixteenth Summit of la Francophonie on the theme of shared growth and responsible development: conditions for stability around the world and within la Francophonie, which would take place on 26 and 27 November 2016. OIF brought together countries from all continents with very different levels of development; some were members of the Group of 8 or Group of 20, while others were among the least developed countries. OIF emphasized a holistic approach that integrated economic development, social and environmental dimensions, the trade integration of fragile countries and financing for development. It had advanced proposals to bridge the development gaps between developed and less developed countries by mobilizing additional resources and securing innovative financing to implement the Sustainable Development Goals.

55. Regular dialogues on equitable development were organized through the OIF network of finance ministers of low-income French-speaking countries, which was aimed at sharing expertise and experience in financing for development and appealing for financing from international bodies. A side event to the 2016 Annual Meetings of IMF and the World Bank had allowed finance ministers from those countries to share their fiscal priorities with a view to improving the mobilization of domestic resources and financing their sustainable development. They had emphasized the need to improve their policies and develop their capacities to audit large enterprises in order to reduce tax exemptions and expenses, revise tax and investment treaties and make taxation more progressive; reaffirmed their commitment to debt sustainability and called for the definition of the debt targets under Sustainable Development Goal 17 and urged the international community to hold discussions at the United Nations on the creation of a mechanism to alleviate debt that was quicker, broader and more transparent and impartial than existing mechanisms.

56. The OIF programme for the period 2015-2018 and the OIF economic strategy adopted in 2014 envisaged promoting economic cooperation among

OIF member countries by supporting the formulation and implementation of interregional trade strategies through consultations with trade ministers and cooperation projects. Those activities, and many others, were implemented through partnerships with institutions like IMF, the World Bank, the Organization for Economic Cooperation and Development, WTO and UNCTAD and regional organizations such as the African Development Bank. For several years, OIF and the Commonwealth Secretariat had been holding a dialogue with the Group of 20 on key development issues for its developing-country members. OIF played an active role in strengthening the trade negotiation capacities of French-speaking countries.

57. **Ms. Cattaert** (International Labour Organization) said that economic forecasts pointed to a further slowing of global economic growth in 2016. Slow growth would have a direct impact on labour markets, including on rates of labour force participation, and would amplify inequality, vulnerable employment and poor job quality. Decent work gaps persisted across all regions, from high rates of unemployment in developed economies to chronic rates of vulnerable employment in emerging and developing countries. In 2015, the number of unemployed people worldwide had reached 197.1 million, which was over 27 million higher than the pre-crisis figure. Global youth unemployment was rising and was expected to reach 13.1 per cent in 2016, which was close to its historic peak. Vulnerable employment accounted for over 46 per cent of total employment globally. The lack of productive job opportunities, coupled with an absence of adequate social protection, thrust large segments of the population in emerging and developing countries into low-paid employment, thereby raising the risk of poverty. Informal employment, as a percentage of non-agricultural employment, exceeded 50 per cent in half of the countries with comparable data.

58. Sustainable Development Goal 8 identified sustained, inclusive and sustainable economic growth and full and productive employment as two sides of the same coin. The call for decent work for all had been strengthened in the Addis Abba Action Agenda, which demonstrated that decent work was both a means to achieving sustainable development and goal in its own right. Achieving full and productive employment and decent work for all would yield significant social dividends, while strengthening and rebalancing the global economy. A policy focus on the quantity and quality of jobs and on tackling income inequality could be supported by: prioritizing macroeconomic policies that promoted job creation and supported demand and investment; strengthening labour market institutions, including labour ministries, trade unions and employers' organizations; introducing well-designed social protection systems; rebalancing financial reform efforts to ensure that banks channelled resources into the real economy and into investment for sustainable enterprise expansion and job creation; and harnessing the potential of trade and investment to generate full employment and decent work for all. Making decent work a priority in macroeconomic policies, including fiscal, financial and trade policies in national sustainable development plans, was crucial to putting the global economy on a better and more sustainable growth path.

59. **Ms. Mucavi** (Food and Agriculture Organization of the United Nations (FAO)) said that the relationship between international trade, food security and sustainable development was stronger and more important than ever. Food security was a priority of the 2030 Agenda, as enshrined in Sustainable Development Goal 2, while trade was considered an enabler of sustainable development. The linkages between commodity prices and sustainable agricultural development had been discussed at the FAO ministerial meeting on long-term commodity price trends and sustainable agricultural development in October 2016. Participants had discussed the implications of declining agricultural prices and periodic price surges, and the measures needed to achieve the Sustainable Development Goals. The Director-General of FAO had noted that policy-makers were confronted by the challenge of making nutritious food affordable for the poor while ensuring incentives for producers, including family farmers. Agricultural trade could contribute to the availability of food and price stability. Food price spikes, however, could force low-income food deficit countries and poor consumers to settle for cheaper food alternatives with low nutritional content. While higher prices could present an opportunity for family farmers, they were not always able to quickly increase production in response to price stimulus. It was important to build capacity in that regard.

60. International food prices had fallen since their peak in 2011, but were expected to remain higher than

the levels registered prior to 2005. Geopolitical and climate-related uncertainties were likely to exacerbate episodes of food price spikes in the future and potentially disrupt trade flows. Increased coordination of policy responses and enhanced market transparency would be important to weathering that turbulence. Although trade could help ensure that global markets remained a reliable source of food, if not well managed, increased openness to trade combined with the downward trend in food prices could undermine local production and consequently the livelihoods of the rural poor. Support for family farming and rules-based multilateral trade that was non-distorted, non-discriminatory and fair were crucial to achieving global food security and sustainable agricultural development. In that regard, FAO welcomed the outcomes of the Tenth Ministerial Conference of the World Trade Organization, including the decision to eliminate agricultural export subsidies and give trade policy space for developing countries to explore ways of strengthening national food security. That decision was a step towards a global trade framework that could balance the pursuit of national food security, and development objectives without harming trading partners.

The meeting rose at 11.50 a.m.